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ABRAXAS PETROLEUM CORP

Form 8-K/A

August 08, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

F O R M 8-K/A Number 1

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report
August 7, 2002

Abraxas Petroleum Corporation
(Exact name of registrant as specified in its charter)

Nevada
(State of other jurisdiction of incorporation)

0-19118
(Commission File Number)

74-2584033
(I.R.S. Employer Identification Number)

500 N. Loop 1604 East, Suite 100
San Antonio, Texas 78232
(Address of principal executive offices)

Registrant's telephone number,
including area code:
210-490-4788

The undersigned registrant hereby amends the following items, financial statements and exhibits of its Current Report on Form 8-K dated July 9, 2002, as set forth in the pages attached hereto.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS

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(B) Pro Forma Financial Statements

- (1) Pro Forma Condensed Consolidated Balance Sheet as of March 31, 2002
- (2) Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 2001 and for the three months ended March 31, 2002.

ITEM 7 - FINANCIAL STATEMENTS AND EXHIBITS

(b) Pro Forma Financial Information

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The following unaudited pro forma condensed consolidated balance sheet as of March 31, 2002 and the unaudited pro forma consolidated statements of operations for the three months ended March 31, 2002 and for the year ended December 31, 2001 give effect to the divestitures of the East White Point, Quirk Creek and Mahaska properties described in the 8-K filed on July 9, 2002. The unaudited pro forma condensed consolidated balance sheet is presented as if the divestitures had occurred on March 31, 2002. The unaudited pro forma consolidated statements of operations are presented as if the divestitures had occurred at the beginning of the periods presented. The pro forma financial data are based on assumptions and include adjustments as explained in the notes to the unaudited pro forma condensed consolidated financial statements, and the actual recording of the transactions could differ.

ABRAXAS PETROLEUM CORPORATION AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

March 31, 2002
(In thousands)

	Historical	Pro Adj
	-----	-----
Assets:		
Current assets:		
Cash	\$ 3,851	\$
Accounts receivable.....	7,256	
Equipment inventory.....	1,160	

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Other current assets.....	1,050	

Total current assets.....	13,317	
Property and equipment:		
Oil and gas properties, full cost method of accounting:		
Proved.....	505,195	
Unproved, not subject to amortization.....	5,937	
Other property and equipment.....	69,962	

Total.....	581,094	
Less accumulated depreciation, depletion, and amortization.....	289,028	

Total property and equipment - net.....	292,066	
Deferred financing fees, net of accumulated amortization of \$9,095 at March 31, 2002.....	3,464	
Other assets	447	

Total assets.....	\$ 309,294	\$
	=====	=====
Liabilities and Shareholder's Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 24,889	\$
Accrued interest.....	9,378	
Current maturities of long-term debt.....	63,911	

Total current liabilities.....	98,178	
Long-term debt.....	227,103	
Deferred income taxes.....	19,742	
Future site restoration.....	3,997	
Shareholders' equity (deficit):		
Common Stock, par value \$.01 per share- Authorized 200,000,000 shares; issued, 30,145,280 at March 31, 2002.....	301	
Additional paid-in capital.....	136,733	
Accumulated deficit.....	(159,793)	
Treasury stock, at cost, 165,883 shares	(964)	
Accumulated other comprehensive loss.....	(16,003)	

Total shareholders' deficit.....	(39,726)	

Total liabilities and shareholders' equity (deficit).....	\$ 309,294	
	=====	=====

See notes to unaudited pro forma condensed consolidated financial statements

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(In thousands, except per share data)

	Year Ended December 31,	
	Historical	Pro Forma Adjustments
	(In thousands except per share data)	
Revenues:		
Oil and gas production revenues	\$ 73,201	\$ (10,922)
Gas processing revenues	2,438	(982)
Rig revenues	756	-
Other	848	-
	-----	-----
	77,243	(11,904)
Operating costs and expenses:		
Lease operating and production taxes	18,616	(2,599)
Depreciation, depletion, and amortization	32,484	(3,536)
Proved property impairment	2,638	-
Rig operations	702	-
General and administrative	6,445	-
General and administrative (Stock-based compensation) ..	(2,767)	-
	-----	-----
	58,118	(6,135)
Operating income (loss).....	19,125	(5,769)
Other (income) expense:		
Interest income	(78)	-
Amortization of deferred financing fees	2,268	-
Interest expense	31,523	(4,462)
Loss on sale of equity investment	845	-
Other	207	-
	-----	-----
	34,765	(4,462)
Income (loss) from operations before income tax	(15,640)	(1,307)
Income tax expense (benefit)	2,402	(919)
Minority interest in income of consolidated foreign subsidiary (2001 prior to purchase).....	1,676	-
	-----	-----
Net income (loss).....	\$ (19,718)	\$ (388)
	=====	=====
Net income (loss) per common share - basic	\$ (0.76)	
	=====	
Weighted average shares outstanding - basic.....	25,788,571	
	=====	

See notes to unaudited pro forma condensed consolidated financial statements

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(In thousands, except per share data)

	Three Months Ended March	
	Historical	Pro Forma Adjustments
	(In thousands except per share data)	
Revenues:		
Oil and gas production revenues	\$ 10,886	\$ (1,330)
Gas processing revenues	670	(286)
Rig revenues	151	-
Other	100	-
	11,807	(1,616)
Operating costs and expenses:		
Lease operating and production taxes	3,909	(447)
Depreciation, depletion, and amortization	6,814	(899)
Rig operations	121	-
General and administrative	1,698	-
	12,542	(1,346)
Operating income (loss).....	(735)	(270)
Other (income) expense:		
Interest income	(33)	-
Amortization of deferred financing fees	427	-
Interest expense	8,413	(1,114)
	8,807	(1,114)
Income (loss) from operations before income tax	(9,542)	844
Income tax expense (benefit)	(843)	2
Net income (loss).....	\$ (8,699)	\$ 842
Net income (loss) per common share - basic	\$ (0.29)	
Weighted average shares outstanding - basic.....	29,979,397	

See notes to unaudited pro forma condensed consolidated financial statements

Notes to the Unaudited Pro Forma Condensed Consolidated Balance Sheet:

The Unaudited Pro Forma Condensed Consolidated Balance Sheet is presented as if the transactions had occurred as of March 31, 2002.

- (1) To adjust oil and gas properties and equipment to reflect sales proceeds.

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- (2) To reduce long-term debt and current maturities of long-term debt for net cash proceeds from the property sales.

Notes to the Unaudited Pro Forma Condensed Consolidated Statements of Operations:

The Unaudited Pro Forma Statements of Operations are presented as if the transactions had occurred as of the beginning of the period presented.

- (1) To adjust oil and gas production revenues, gas processing revenues, lease operating and production taxes and depreciation, depletion and amortization as if the transactions had been completed as of the beginning of the period.
- (2) To adjust interest expense, giving effect to pay-down of the Company's long-term debt and current maturities of long-term debt, at the stated interest rates of the associated debt.
- (3) To record income tax expense (benefit) of the pro forma taxable income (loss) at Canadian effective rates, as applicable. No tax expense (benefit) for US purposes due to loss carryovers.

SIGNATURES

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABRAXAS PETROLEUM CORPORATION

By: _____
Chris Williford
Executive Vice President, Chief Financial
Officer and Treasurer

Dated: August 7, 2002